

**REMARKS****I. Pending Issues**

Claims 1 – 36 are pending in the current application. Claims 1 – 19 stand rejected, with claim 20 being canceled. New claims 21 – 36, submitted in the Amendment filed on June 17, 2004, have yet to be considered by the Examiner. The issues raised in the Office Action mailed on April 21, 2004, are:

- Claims 1, 4-5, 7-8, 10, 12-13, 15-17, and 20 are rejected under 35 U.S.C. § 112, second paragraph;
- Claims 1-20 are rejected under 35 U.S.C. § 101;
- Claims 1-20 are rejected under 35 U.S.C. § 103(a).

Applicants filed an Amendment on June 17, 2004, fully and completely addressing each of the pending issues raised by the Examiner in his April 21, 2004, Office Action. Claim 20 was canceled by Applicants.

**II. New Issues**

On September 29, 2004, the Examiner filed a Supplemental Response to Applicants' June 17, 2004, Amendment asserting that said Amendment was not fully responsive to the April 21, 2004 Office Action. The Examiner offers further elaboration of his position on the 35 U.S.C. § 101 rejection and invited Applicants' consideration and comment before re-considering the art rejection. Thus, the Examiner has supplemented his 35 U.S.C. § 101 rejection arguments and requested further response from Applicants thereto.

**III. Response to 35 U.S.C. §§ 112 and 103(a) Rejections**

Applicants' response filed in the June 17, 2004 Amendment was fully responsive to the Examiner's §§ 112 and 103(a) rejections of record. Applicants, therefore, rely on the remarks and arguments presented therein, which are incorporated by reference into this Amendment.

#### IV. Further Elaboration on the 35 U.S.C. § 101 Rejection

The Examiner offers further elaboration in support of his 35 U.S.C. § 101 rejection of claims 1-19. The Examiner states that “Claims 1-19 are rejected under 35 U.S.C. 101 as non-statutory because the method claims as presented do not claim a technological basis.”

September 29, 2004 Supplemental Office Action, p. 2. “Without a claimed basis, the claims are interpreted as involving no more than a manipulation outside of a technological art and therefore non-statutory under 35 U.S.C. 101.” *Id.* The Examiner does not assert that claims 1-19 improperly attempt to patent an algorithm or law of nature, but only that the claimed process or method does not pertain to a statutory technological art.

The Examiner cites to the content and reasoning of the non-precedential *Ex parte Bowman*, to support that a method claim which recites functional, non-trivial interrelationships performed by a computer are considered to have a technological basis and are, thus, within the technological arts. *Ex parte Bowman*, 61 U.S.P.Q.2d 1669, 1671 (Bd. Pat. App. & Inter. 2001). The Examiner then states that “claims which are broad enough to read on statutory subject matter and on nonstatutory subject matter are considered nonstatutory.” September 29, 2004 Supplemental Office Action, p. 3. However, *In re Lintner*, which the Examiner contends supports this conclusion, does not support the Examiner’s assertion.

*In re Lintner* states that “claims which are broad enough to read on *obvious* subject matter are unpatentable even though they also read on *nonobvious* subject matter.” *In re Lintner*, 458 F.2d 1013, 1015 (CCPA 1972) (emphasis added). This obviousness consideration, driven by 35 U.S.C. § 103, does not translate to a patentable subject matter consideration under 35 U.S.C. § 101, as attempted by the Examiner. If some form of technology is described in the specification or the claims, then the invention falls within the technological arts. *Bowman*, 61 U.S.P.Q.2d at 1671. In *Bowman*, the claimed invention was rejected as non-statutory because the examiner found that use of a computer to perform the process was not described in either the *specification* or the claims. *Id.* (emphasis added.)

In *Bowman*, the invention claimed a process of calculating points using a formula or abstract idea. *Bowman*, 61 U.S.P.Q.2d at 1670. This, in and of itself, was clearly non-statutory. However, the claim further provided for manually drawing a chart by plotting

these calculated points. *Id.* The applicant asserted that this transformation of physical media into a chart brought the claimed invention into patentable subject matter. *Id.* at 1671. However, the court found that a human manually drawing a chart and plotting points on the chart did not bring the invention into the technological arts. *Id.*

In the present application, both the claims and the specification describe an electronic or computer process. Claims 1-19 specifically teach “A method for conducting an electronic negotiation of a commercial transaction ...”. Electronic negotiations are well-known in the art. Moreover, electronic negotiations are defined in the specification as negotiations that occur in commercial transactions over the Internet or in e-commerce, which occur in the computer technologies. Specification, p. 1, lns 9-12. Exemplary embodiments are described as making such electronic negotiations simpler because no special computer code is needed to detect infinite negotiations, again emphasizing the electronic and/or computer nature of the invention. Specification, p. 2, lns 28-30. This description of an electronic negotiation in the specification and claims is clearly not analogous to a human manually plotting points on a chart, as claimed in *Bowman*. Therefore, unlike the abstract idea taught in *Bowman*, a technological basis is clearly described in claims 1-19.

Applicants, therefore, assert that claims 1-19 describe patent subject matter under 35 U.S.C. § 101, and respectfully request the Examiner to withdraw his rejection.

#### V. New Claims

Applicants hereby further request the Examiner to consider the new claims filed by Applicants in their Amendment dated June 17, 2004. Applicants believe that these new claims, claims 21-36, are patentable and request that the Examiner pass these claims for immediate allowance.

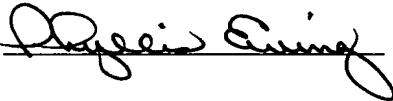
Applicants believe no fee is due with this response. However, if a fee is due, please charge our Deposit Account No. 08-2025, under Order No. 10992554-1 from which the undersigned is authorized to draw.

I hereby certify that this correspondence is being deposited with the U.S. Postal Service as Express Mail, Airbill No. EV482737453US, in an envelope addressed to: MS Amendment, Commissioner for Patents, PO Box 1450, Alexandria, VA 22313-1450, on the date shown below.

Date of Deposit: October 27, 2004

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Respectfully submitted,

By



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